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12 Attorneys for Defendants  
13 KNIGHT TRANSPORTATION, INC. and  
KNIGHT TRUCK AND TRAILER SALES, LLC

14 UNITED STATES DISTRICT COURT  
15 CENTRAL DISTRICT OF CALIFORNIA  
16

17 PATRICK LACROSS, ROBERT  
18 LIRA and MATTHEW LOFTON, on  
behalf of themselves and all other  
19 similarly situated,

20 Plaintiffs,

21 -v.

22 KNIGHT TRANSPORTATION, INC.,  
23 an Arizona Corporation; KNIGHT  
TRUCK and TRAILER SALES, LLC,  
24 an Arizona Limited Liability Company;  
and DOES 1 through 100, inclusive,

25 Defendants.  
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Case No. 5:14-cv-00771-JGB-JC

**SUPPLEMENTAL  
DECLARATION OF KEVIN  
QUAST IN SUPPORT OF  
KNIGHT'S OPPOSITION TO  
PLAINTIFFS' MOTION TO  
REMAND**

Date: July 14, 2014

Time: 9:00 a.m.

Courtroom: 1

Complaint Filed: March 3, 2014

1 I, Kevin Quast, do hereby declare and state as follows:

2 1. I am currently employed by Defendant Knight Transportation, Inc.  
3 ("Knight Transportation") as its Chief Operations Officer ("COO") in Phoenix,  
4 Arizona, and my duties include overseeing the operations of Defendant Knight Truck  
5 and Trailer Sales, LLC ("Knight Sales"). I have personal knowledge of the facts set  
6 forth in this declaration, or I have knowledge of such facts based on my review of the  
7 business records and files of Knight Transportation and Knight Sales (collectively,  
8 "Knight"). If called as a witness, I could and would testify competently to such facts  
9 contained herein.

10 2. I have been employed by Knight since 1996, first working as a driver-  
11 recruiter, then as a human resources manager, and then as a Service Center Manager,  
12 General Manager and Business Unit Leader, after which I was promoted to my current  
13 position. I am very familiar with Knight Sales' pricing policies with respect to leasing-  
14 to-own equipment (tractors) to independent contractors, and I am also familiar with  
15 Knight Sales' competition. While I am not aware of the exact details of other  
16 companies' lease-to-own programs, based on my knowledge of the industry, Knight  
17 Sales' lease-to-own program is competitive with other motor carriers, and it is certainly  
18 less expensive than leasing companies not associated with motor carriers.

19 3. Knight contracts with independent contractor drivers who drive trucks for  
20 other trucking companies or were employee-drivers at Knight that opted to become  
21 independent contractor drivers. Either group may opt to lease-to-own their own tractor  
22 through Knight Sales. Based on Plaintiffs' personnel files, Plaintiffs Patrick LaCross  
23 and Robert Lira are former Knight employee-drivers who opted to become independent  
24 contractor drivers and chose to lease-to-own tractors from Knight Sales. Plaintiff  
25 Matthew Lofton, on the other hand, was not employed by Knight Transportation before  
26 he opted to lease-to-own a tractor from Knight Sales.

27 4. In my original declaration in support of Knight's removal of this action to  
28

1 federal court, I estimated that Knight had 116 California-based independent contractors  
2 in 2010, 135 in 2011, 118 in 2012, and 188 in 2013, or a total of approximately 557  
3 independent contractor drivers in the four-year putative class period. These numbers  
4 were approximate insofar as I calculated them by adding together the number of  
5 independent contractors our records showed working each month of a particular year,  
6 and then dividing that number by 12 months, such that, for example, 116 contractors in  
7 2010 means, on average, there were 116 contractors working for Knight each month of  
8 2010. As such, it would be more correct to state that 116 independent contractors, on  
9 average, worked throughout 2010, 135 throughout 2011, 118 throughout 2012, and 188  
10 throughout 2013. For the four-year period between 2010 and 2013, there would thus  
11 be 557 contractor drivers who worked 12 months or 50 work weeks (assuming two  
12 weeks for vacation), yielding approximately 28,850 contractor work weeks.

13 5. As a result of Plaintiffs' filing a Motion to Remand in this action, in which  
14 my calculations were challenged, I rechecked my calculations. In calculating the  
15 average number of contractor drivers for each year, we calculated the average number  
16 of contractor drivers working each month at each Knight facility, and then added the  
17 averages together to obtain the average number of drivers working each month for the  
18 year. It was discovered that for the first three years of the class period we mistakenly  
19 averaged two facilities together, which skewed down the average number of drivers.  
20 As such, the more accurate average number of contractors working each month  
21 throughout each year was 155 (not 116) in 2010, 184 (not 135) and 173 (not 118) in  
22 2011. For 2013, because one of the two facilities that had mistakenly been averaged  
23 together had been closed down, the original estimate of 188 contractors working  
24 throughout that year is correct. The average number of contractors over the four-year  
25 period who worked 12 months is thus actually 700 – not 557.

26 6. All independent contractors who contract with Knight sign an Independent  
27 Contractor Operating Agreement, and all contractors who are leasing-to-own from  
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1 Knight Sales also sign a "Tractor Lease Agreement." The leases are governed by  
2 federal motor carrier regulations. *See* 49 C.F.R. Part 376. Each lease is based on a term  
3 sheet listing, among other things, the "Tractor Information," the "Insurance  
4 Information," and the "Loan/Financial Information." Attached to this declaration as  
5 Exhibit A are the term sheets of Plaintiffs Patrick LaCross, Robert Lira, and Matthew  
6 Lofton.

7         7. Knight Sales primarily leases late-model (2-4 years old) Volvo, Peterbilt  
8 and International tractors, and the weekly lease payments for Knight's lease-to-own  
9 contractors over the four-year class period range approximately as follows: (1) 2010:  
10 \$300 to \$375; (2) 2011: \$330 to \$395; (3) 2012: \$375 to \$457; (4) 2013: \$350 to \$375.  
11 As such, Plaintiffs' weekly lease payments of \$375 (LaCross), \$330 (Lira), and \$360  
12 (Lofton), would be in the range typical of the class. Insurance payments related to leases  
13 during the class period are, on average, approximately \$95 per week. Consequently,  
14 during the class period, Knight's lease-to-own contractors could expect to pay between  
15 \$395 and \$552 a week for lease-related insurance costs. Again, Plaintiffs' weekly  
16 payments of \$473 (LaCross), \$410 (Lira), and \$466 (Lofton), would appear to be typical  
17 during the class period. Furthermore, in addition to lease insurance-related costs,  
18 independent contractors must also pay, on average, \$40 per week for license plates and  
19 \$20 per week to lease a Qualcomm unit for communicating with Knight's dispatch.

20         8. Every week a Knight independent contractor receives a "settlement" sheet  
21 that details how much the contractor is being paid, and what expenses are being  
22 deducted. Perhaps the most significant deduction is for fuel. Knight provides its  
23 independent contractors with a fuel card that allows the driver to buy fuel at a discount.  
24 How much fuel a driver uses will of course depend on how much he or she drives. For  
25 instance, as detailed in its removal papers, Plaintiff LaCross paid approximately \$1,310  
26 per week in fuel; Plaintiff Lira paid approximately \$704 per week; and Plaintiff Lofton  
27 paid \$1,400. The average fuel costs for the three Plaintiffs was thus \$1,138 per week.  
28

1 Based on my knowledge of our business, and the numerous settlement sheets I have  
2 seen over the years, Plaintiffs' average weekly fuel costs would appear to be roughly  
3 typical of the weekly fuel costs of Knight's California-based independent contractors  
4 during the four-year class period.

5 9. To double check the \$1,138 figure, I had the fuel invoices tallied for all  
6 California-based independent contractors for the first quarter of 2014 (January to  
7 March). Of course, contractors are free to purchase fuel anywhere, and so Knight's  
8 records only reflect purchases made on Knight fuel cards. The total fuel costs for  
9 California independent contractors amounted to \$2,369,628 in the first quarter of 2014.  
10 For the same period, I had the total number of California-based independent contractors  
11 who were working for Knight calculated, which was 207 drivers. I then had the total  
12 number of work weeks counted for the same period, which was 2,319 work weeks.  
13 Dividing 2,319 work weeks into \$2,369,628 total fuel costs yield weekly fuel costs of  
14 approximately \$1,021. Although this figure is slightly lower than the average fuel costs  
15 of the three Plaintiffs, the difference can perhaps be explained by the fact that the first  
16 quarter of the year is the slowest period in the trucking industry.

17 10. Based on the U.S. Department of Energy, there was approximately a 30%  
18 jump in diesel fuel between 2010 to 2011, after which, the price of diesel fuel remained,  
19 on average, the same through 2014.

20 11. Based on my review of records that have been maintained in the ordinary  
21 course of business, in the first quarter of 2014 (January through March), Knight had 207  
22 independent contractors who worked a total of 2,319 work weeks.

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2 Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury, under  
3 the laws of the United States, that the foregoing is true and correct, and that this  
4 declaration was executed on June 2, 2014, at Phoenix, Arizona.  
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7   
8 KEVIN QUAST

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